



SUBCOMMITTEE ON BUSINESS DEVELOPMENT

Interim Meeting
Department of Insurance
Budget Topics

CHAIRMAN
REPRESENTATIVE GARY SMITH



AGENDA

- FY 08-09 Operating Budget
- Statutory Dedications
- Salaries and Positions
- Travel Expenditures
- Other Items



Insurance

BUDGET

The Department of Insurance has an FY 08-09 operating budget of \$31.7 million.

\$1.1 million or 3% of the total budget is funded through statutory dedications.



Insurance

STATUTORY DEDICATIONS

Automobile Theft and Insurance Fraud Prevention Authority Fund – (R.S. 22:2134) Source of funding is self generated revenues through solicitations. \$60,000 was appropriated in FY08-09. There is a \$39,614 fund balance as of 2/5/09. It is used to combat motor vehicle insurance fraud, including fraud by theft and other criminal acts.

Administrative Fund (R.S. 22:1071) Source of funding is fees and self generated revenues. \$653,269 was appropriated on FY 08-09. The Administration reduced this by 5% as part of a deficit reduction plan. Collections are based on an annual assessment of certain premiums to cover the cost of administering and enforcing the provisions of assuring portability, availability, and renewability of health insurance coverage.

Insurance Fraud Investigation Fund (R.S. 40:1428) Source of funding is fees and self generated revenues. \$435,325 was appropriated in FY 08-09. It is used for investigation, enforcement and prosecution of insurance fraud.



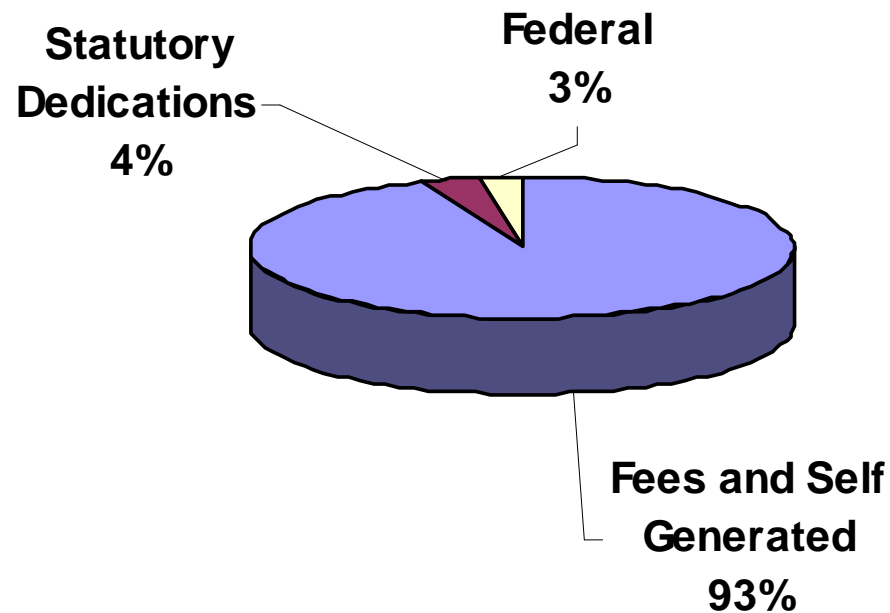
Department of Insurance Budget

Department of Insurance FY 08-09 EOB (as of 1/20/2009) to FY 09-10 Requested					
Means of Finance	FY 07-08 Actual	FY 08-09 Existing Operating Budget	FY 09-10 Requested	Change	Percent Change
State General Fund	\$0	\$0	\$0	\$0	0.0%
Interagency Transfers	\$0	\$0	\$0	\$0	0.0%
Fees and Self-Gen Rev	\$27,811,782	\$29,795,422	\$32,000,028	\$2,204,606	7.4%
Statutory Dedications	\$30,057,381	\$1,115,931	\$1,125,183	\$9,252	0.8%
IEB	\$0	\$0	\$0	\$0	0.0%
<u>Federal Funds</u>	<u>\$313,455</u>	<u>\$804,061</u>	<u>\$529,704</u>	<u>(\$274,357)</u>	<u>-34.1%</u>
TOTAL	\$58,182,618	\$31,715,414	\$33,654,915	\$1,939,501	6.1%



Insurance

Existing Operating Budget FY 08-09





Insurance

SALARIES/ POSITIONS

- \$13.9 million for salaries and \$4.8 million for related benefits
Total Salaries and Related Benefits = \$18.8 million or 59% of the total budget
- Average Salary for the Department = \$49,980
- 279 positions (251 classified and 28 unclassified)
- As of 1/29/09, the department had 8 vacancies
5 yr historical vacancy rate = 18 positions



Insurance

TRAVEL

The Department of Insurance has \$625,875 budgeted for travel in the FY 08-09. This is 2% of their total budget.

Type of Travel	FY 08-09 Budget
In-State Administrative	\$5,456
In-State Conferences	\$108,950
In-State Field Travel	\$137,885
<u>In-State Info Tech/Bd. Mem</u>	<u>\$6,016</u>
Total In-State Travel	\$258,307
Out-of-State Administrative	\$8,607
Out-of-State Conferences	\$322,911
Out-of-State Field Travel	\$28,766
<u>Out-of-State Info Technology</u>	<u>\$7,284</u>
Total Out-of State Travel	\$367,568
TOTAL TRAVEL	\$625,875



Insurance

Issues

How will the dispute between the Department of Insurance and the State Legislative Auditor affect the CAFR (Comprehensive Annual Financial Report) and credit rating of the state?

On January 27th the Department of Insurance was granted an injunction against the Treasury and the Division of Administration to prevent the cutoff of state funding due to non-compliance of state audit laws.